



Member, Board of Supervisors
District 11

City and County of San Francisco

AHSHA SAFAÍ
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May 22, 2023

President Newsha K. Ajami
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 13th Floor
San Francisco, CA 94102

Dear President Ajami and commissioners,

I write to express my concern about the proposed water and wastewater rate increases and request you delay these increases and submit them for reconsideration to a fully constituted Rate Fairness Board.

The process used to review this increase lacks meaningful ratepayer input as required by the Charter. The rate hikes squeeze low- and middle-income San Franciscans at the worst possible time and add unnecessary budget pressures to the \$743.5 million General Fund deficit.

Low- and Middle-Income San Franciscans Can't Afford These Hikes

The proposed impact of these hikes cannot be overstated – the average single family residential customer is expected to see a substantial increase from \$136 a year to \$174 by 2026. I am honored to represent many San Franciscans who work hard every day for a modest wage or who live on a fixed income. In reading the more than 300 letters of protest to the Commission one thing is clear: City government must be more thoughtful about how its decisions impact normal San Franciscans and do everything it can to look out for seniors and the middle class.

Meaningful Ratepayer Involvement Needed

In 2002, the voters established the Rate Fairness Board and designated four seats for ratepayers. The Mayor must appoint two seats—a residential ratepayer and large business representative and both are vacant. The Board of Supervisors has appointed its residential ratepayer seat, but its small business owner seat is vacant and has been for some time. You can find this information on Slide 25 of the water rates presentation in your packet.

As a result, the Rate Fairness Board process lacked input from those closest to the impact. In my view, it is essential that the Rate Fairness Board appointments be made, and this significant rate hike be re-referred for public hearings and community engagement.

General Fund Budget Impact Is Substantial and Will Cut City Services

Raising rates now not only impacts residential customers, but also squeezes City departments that provide vital services to San Franciscans. One example is our Recreation and Park Department, which will need to choose between paying higher rates or hiring gardeners and recreation directors in our communities. Another is the Municipal Transportation Agency, which is already facing cost pressures that are causing it to cut service. These departments are being asked to absorb these increases and I intend to use the City's budget process to determine the impact on our residents.

My sincere hope is that you will delay your decision and resubmit the plans to a full Rate Fairness Board. According to SFPUC staff, only 20% of the proposed increase is for operations and 80% is for capital, this seems like a prudent step to have the additional conversations that are needed.

If the Commission acts tomorrow, I will ask the Board of Supervisors to hold a public hearing to consider rejecting the rate hikes. Thank you for the opportunity to express my views on this important subject.

Sincerely,



AHSHA SAFAÍ
Supervisor for District 11

CC: Commission Secretary, SFPUC
General Manager, SFPUC
Supervisors
Clerk of the Board
Mayor's Commissions Director, Board Liaison